

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

March 4, 2003

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FROM: MARK H. UFFER, Director
Arrowhead Regional Medical Center

SUBJECT: REQUEST FOR PROPOSALS FOR LAUNDRY SERVICES

RECOMMENDATION: Approve Request for Proposals (RFP) to provide laundry services to the Arrowhead Regional Medical Center and authorize the Medical Center to release the RFP.

BACKGROUND INFORMATION: On February 7, 1995, after a RFP was issued by County Purchasing, the Board of Supervisors approved Agreement No. 95-99 with Angelica Healthcare Services Group to provide laundry services at the Medical Center, Juvenile Hall and Mental Health Department. This was a five-year agreement, effective February 1, 1995 through January 31, 2000.

In May 1999, after the County Medical Center moved to its new location in Colton, a review of Agreement No. 95-99 was undertaken. As a result of this review, it was determined that the Medical Center would recognize a cost saving if it were to convert this agreement from a linen purchase/laundry agreement to a rental-based agreement. On May 25, 1999, the Board of Supervisors approved Amendment No. 1 to Agreement No. 95-99, which changed the agreement to rental based. This amendment also extended the term of this agreement through May 31, 2002, with the option to extend the agreement for two additional one-year terms at the agreed upon prices and terms.

On June 11, 2002, the Board of Supervisors approved Amendment No. 2 to Agreement No. 95-99 which allowed the Medical Center to exercise the option as set forth in Section 6.0, *Term and Termination*, which, by mutual agreement, allows the Medical Center to extend this Agreement for two additional one-year terms. However, since a formal RFP process had not been conducted since 1995, the Medical Center requested the Board of Supervisors to approve the term of the Agreement for one year only, effective June 1, 2002 through May 31, 2003. The Medical Center informed the Board of Supervisors that it would return to the Board by November 2002 to request approval of the release of a formal RFP for these services.

Since the approval of the latest amendment to the Agreement with Angelica, the intent of the Medical Center has been to complete and release the RFP for laundry services. However, due to numerous surveys by accrediting agencies, the Medical Center has been unable to finalize the process to release this RFP. The Medical Center has successfully completed all of its surveys and has been able to proceed with the process of completing the RFP for laundry services.

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Since May 1999, the Medical Center and Juvenile Hall have been utilizing Angelica Healthcare Services through a rental-based agreement. On a daily basis, Angelica picks-up the soiled linens from the Medical Center and Juvenile Hall and replaces them with clean linens. Unlike other county departments, the Medical Center utilizes a rental-based agreement for its linen services. For this reason (County Purchasing concurs) it is most appropriate for the Medical Center to release and conduct the RFP for laundry services. Proposers will be required to submit their proposals based on linen volumes provided by ARMC for the Medical Center facility, three of its outpatient clinics, and Juvenile Hall. This information will be provided at the mandatory pre-proposal conference.

Approval of this item will authorize the Medical Center to release the RFP for laundry services.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel) on January 29, 2003, HSS Administration (Bea Valdez, Administrative Analyst) on February 19, 2003, and County Purchasing (Aurelio De La Torre, Director) on February 19, 2003.

FINANCIAL IMPACT: There is no financial impact in the release of a RFP, but the current Agreement has a cost to the Medical Center in excess of \$1,020,000 annually. The RFP process will offer the Medical Center the opportunity to evaluate this cost with a goal of reducing this annual expense.

Cost Reduction Review: The County Administrative Office has reviewed this agenda item and concurs with the department's proposal and recommends this action, because these services are necessary for the health of the Medical Center's patients and employees. Also, this RFP process could potentially result in a cost saving to the Medical Center for these services.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150

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